

From: [Lininger, Don](#)
To: [Lancaster, Michael](#)
Cc: [Herstowski, Ken](#); [Jump, Christine](#); [Hoefer, David](#); [Limesand, Kurt](#)
Subject: FW: Submission of Surety Bond for FA Coverage
Date: Thursday, August 14, 2014 4:32:55 PM
Attachments: [removed.txt](#)
[Clean Harbors Bond.pdf](#)

I got a call from Mostafa and Brian this afternoon regarding Clean Harbors – they are needing a response from us on the financial assurance instruments – please see email chain.

What Financial Assurance Requirements do WE have for each facility?

For the Coffeyville location – In RCRAInfo we have a \$4.4M cost estimate for closure, with an insurance mechanism expiring 9/6/14. Why would we be requiring closure financial assurance?

For the Wichita location – we do not show any cost estimates/mechanisms for EPA.

Let me know if we need a meeting to respond to KDHE's request.

Thanks,

Don Lininger, CHMM
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From: Brian Busby [mailto:bbusby@kdheks.gov]
Sent: Thursday, August 14, 2014 2:49 PM
To: Lininger, Don; Mostafa Kamal
Subject: FW: Submission of Surety Bond for FA Coverage

Don,

The emails below depict the closure, post closure, and corrective action amounts for the Clean Harbors Coffeyville and Wichita facilities.

Clean Harbors is requesting to change the financial assurance instrument from an insurance policy to a surety bond. Their draft bond meets requirements.

The current insurance certificate names KDHE as the certificate holder.

The email dated July 22 requested EPA R7s concurrence that KDHE as the sole beneficiary and the corrective action amount of \$2,730,034 for the Coffeyville facility are satisfactory.

Clean Harbors is requesting our response.

Thanks for your assistance.

Brian Busby
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From: Brian Busby
Sent: Tuesday, July 22, 2014 11:07 AM
To: 'Hodge, Kathy'; 'Herstowski.ken@epa.gov'; 'Lancaster, Michael'
Cc: Mostafa Kamal; Akhter Hossain
Subject: RE: Submission of Surety Bond for FA Coverage

Kathy,

After talking with Mostafa, I need to get EPA's review on this for the corrective action part so I forward to Ken Herstowski and Mike Lancaster requesting their comments/changes. I can be confused on the breakout of the corrective action and it needs to be right. I am thankful that you provided the draft. Made me think a little deeper.

Ken and Mike, please see my email dated July 7 below providing details on the facility and the attached draft bond. Kathy used the draft form I sent her which substitutes KDHE and Secretary for EPA. After talking with Mostafa, it sounds like EPA needs to remain on the bond as well as KDHE??? And do you concur with the amounts???

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From: Hodge, Kathy [<mailto:Hodge.Kathleen@cleanharbors.com>]
Sent: Tuesday, July 22, 2014 8:11 AM
To: Brian Busby
Cc: Mostafa Kamal; Akhter Hossain
Subject: RE: Submission of Surety Bond for FA Coverage

Brian – I have attached a draft bond for the RCRA coverage for the Clean Harbors Wichita and Coffeyville facilities. Could you review the bond and send us any comments/changes you might have?

Thank you.

Safety Starts with Me: Live It 3-6-5

Kathy Hodge

Manager, Central Compliance - EHS Administration

Clean Harbors

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From: Brian Busby [<mailto:bbusby@kdheks.gov>]

Sent: Monday, July 07, 2014 12:29 PM

To: Hodge, Kathy

Cc: Mostafa Kamal; Akhter Hossain

Subject: RE: Submission of Surety Bond for FA Coverage

Kathy,

Attached are the correct forms to be used for a surety bond whether it be a financial guarantee or performance guarantee bond.

Also, Clean Harbors will need to establish a standby trust as required by 40 CFR 264, Subpart H.

Since the last adjustment Clean Harbors made for these facilities was for the year 2012.

The inflation factor for 2013 through the first quarter of 2014 is 1.8%. I attached the Bureau of Economic Analysis.

Facility location Corrective Action	EPA ID No.	Closure	Post Closure
Coffeyville \$2,730,034	KSD981506025	\$2,542,602	None
Wichita	KSD007246846	\$1,926,381	

Total FA Amount is \$7,199.017.

Using the bond for financial assurance, the regulations require the inflation adjustment be made within 60 days prior to the anniversary date of the bond. The first quarter implicit price deflators are published April 30 of each year.

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From: Hodge, Kathy [<mailto:Hodge.Kathleen@cleanharbors.com>]
Sent: Tuesday, July 01, 2014 2:12 PM
To: Brian Busby
Subject: Submission of Surety Bond for FA Coverage

Good afternoon Brian – Clean Harbors would like to replace the current insurance mechanism for closure, post-closure, and corrective with a Surety Bond as demonstration of coverage. Would you be able to give us direction on how that would be handled with the Department? A draft *“Financial Guarantee Bond for Category 3 Environmental Use Controls”* is attached.

Here are some specific questions that we have:

1. Is the submitted draft FA bond the correct form we need to use? If not, please provide us with correct bond form.
2. The correct amount to be used.
3. Should the Kansas locations and FA amounts be listed on the bond?
4. Please provide us with a copy of the Standby Trust template that we need to complete and would the Bank of America in Boston be an acceptable Trustee or do we have to use a local banking institution?

Thank you for help with this issue.

Safety Starts with Me: Live It 3-6-5

Kathy Hodge
Manager, Central Compliance - EHS Administration

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